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Security Information

MEMORANDUM OF CONVERSATION

DEPARTMENT OF STATE A/CDC/MR
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May 11, 1953
5:00 p.m.

SUBJECT: Egypt

PLACE: Office of the Prime Minister

PARTICIPANTS:

United States	Egypt
Honorable John Foster DULLES, Secretary of State	Prime Minister NAGUIB
Honorable Harold E. STASSEN, Director, Mutual Security Agency	Minister for Foreign Affairs Fawzi
Honorable Douglas MacARTHUR II, State Department Counselor	Under Secretary for Foreign Affairs Ahmed Hussein, Egyptian Ambassador to the United States
Honorable Henry A. BYROADE, Assistant Secretary of State	
Ambassador Caffery	
Mr. G. Lewis Jones	

After the taking of many photographs in the Prime Minister's private office the party adjourned to the Council Room of the Presidency. There the Secretary presented the Prime Minister with a 32 automatic, a personal gift from General Eisenhower to the Prime Minister. (This presentation was intended to be in private but the last photographer leaving the room glimpsed the pistol and thereupon all returned and photographed the Prime Minister with the pistol in his hand.)

The Prime Minister said that he had again to thank the Secretary for kindnesses. He appreciated the letter from General Eisenhower just delivered as he had appreciated the previous letter from the General, and now he wished to thank him for the pistol. The Prime Minister said it was a great honor to have in Cairo such important personalities. He hoped very much that those present would help to resolve the problems facing Egypt. He was grateful for the Secretary's kind words at the airport. All Egyptians appreciate it and want to be friends with the US.

The Prime Minister continued:

Egypt is

Egypt is doing its best to reform the country in every way. It is trying to make economic, social and political progress so that it can take a major part in preserving the peace of the world. The objective is to make Egypt a "good nation and a peaceful nation".

The Prime Minister said these efforts at reform are greatly hindered by the aggression of the British in Egypt. He hoped that the Secretary would tolerate frankness; he would expect the same frankness from the Secretary.

The Prime Minister said that the Egyptian Government has only achieved part of its program but it is making headway in reconciling differences between rich and poor, in trying to make the state genuinely democratic and to give people liberty. It had many ideas for bettering the economic and social life of the country. For example, there was the new high dam and the electrification of the old Aswan Dam. He was sure that the Secretary knew about the law for the division of agricultural land. These and many other measures are designed to raise living standards of the Egyptians and to "make the people feel happy". If the people feel happy this will be a natural defense against bad social life. British occupation and British stubbornness are "blocking our liberty" and are arousing the people who want liberty.

America has always been considered as the leader of liberty and the friend of weak nations; as the country most sympathetic and willing to help smaller states achieve their national aspirations.

Unfortunately the high standing of the United States has deteriorated in the eyes of the Arab world as a result of the Palestine situation. Originally the Arab peoples felt bitterness only against the UK. Now the Arabs feel that the UK has shifted some of the burden of bitterness on the shoulders of the US. The Arabs have before them always the plight of the refugees who are living under very difficult circumstances. Egypt has Arab refugees in Gaza where life is very hard.

The Egyptians, and the Arabs generally feel, that the US has always favored Israel and this is the cause of bad feeling against the US. The Prime Minister wanted to point out the fact that Egyptian public opinion is alarmed and afraid whenever they hear of entering into a pact regarding Middle East defense involving the US and the UK. Egypt has had bitter experience with many agreements with the UK which have not been kept by the UK. He mentioned the agreement of 1922 and the agreement of 1926. He said that the latter required the UK to give Egypt a modern army but the resulting army was "fit only for funeral celebrations". Further evidence of British bad faith was the recent agreement on the Sudan: only one week after this was signed British officials began to go against the "essence of the agreement".

The result

The result of this bad experience is that everybody is afraid of pacts and agreements. There is a feeling that no agreements can be "respectable" unless they are made between equals. Agreements made on the basis of a master-slave relationship are of no use. The Prime Minister said "If I feel oppressed (as all of the people do) there is no point in making an agreement". He said that the people's will would have to be respected. The people are now so suspicious that they will not consider any agreement on defense until they "find themselves free".

According to the Prime Minister there is a great need to establish confidence between Egypt and the UK. In this connection he welcomed US interest but he felt that Egypt would have to protect its position. He said that the US is so powerful that it "can do anything". (This point was somewhat obscure; the Prime Minister appeared to mean that if the US were to use all the means at its disposal it could force the Egyptians to make an agreement). It must be recognized, however, that "if I say I will make a pact I will lose all my supporters." This being so, the Prime Minister said, he must first eliminate all the hindrances which will prevent compliance with any agreement made. Once liberty is achieved "the people will be willing to have confidence in anybody - even the UK".

The Prime Minister then said that defense of Egypt is Egypt's responsibility which Egypt is anxious to undertake with both strength and enthusiasm. However, no matter how many troops are brought in by the UK to the Suez Base they will "never be safe" from the 22 million Egyptians who see them as aggressors. He said that he must be frank; the present situation might get even worse. "What I can do with the British now I may not be able to do in a month or two."

The Prime Minister said that Foreign Minister Fawzi could explain the trend in the discussions with the UK which had already taken place. The UK had told the Egyptian Government that it was going to withdraw and suggested the establishment of four committees to study the problem: (a) Withdrawal Committee, (b) Base Committee, (c) Air Defense Committee, and (d) Equipment Committee. It was only in connection with (b) that the Prime Minister saw any grave difficulty. This committee was to study the maintenance of the base. The British had originally suggested that the Base Committee should begin its work without terms of reference. The Egyptians had insisted on broad lines of principles for its guidance. The British insisted on British technicians to manage British equipment installations. The Egyptian position is that Egypt must have full control of the base by Egyptians because otherwise this would be an infringement of Egypt's sovereignty.

He was

He was sorry that the UK kept harping on formulas and refused to look at the facts. "Nobody can accept an arrangement of the kind suggested by the British and that is all there is to be said."

The Prime Minister said that he is eager to settle the question of the base so that his hands would be free to deal with internal reforms. The people have such a lack of confidence, however, that they will not listen now to the idea of a defense arrangement. In 1950 the Arab League Collective Security Pact was set up. He thought this might be developed into "something good".

The Prime Minister returned to the point made several times earlier: He said no government in any Arab country can now go against the will of the people, who "hate the British" and feel bitter against the US (and to some extent France) for helping the UK. The Prime Minister asked rhetorically, "Free us from the British occupation and we can then negotiate in good faith". At present, however, "All our minds and feelings" are aroused against the UK. This same energy could be turned to making arrangements for Egypt's defense. The Prime Minister said that no country can stand alone and thus it will behoove Egypt to look about for friends. "Russia is not our friend".

The Prime Minister said that all the Arab States have their own problems and that all of the Arab States are waiting for Egypt to solve the Anglo-Egyptian problem. He was certain that a solution of the Egyptian problem will achieve "what you want and what we want" in the other Arab States.

Israel represents a continuing problem but he thought that "something might be done" towards a just solution once Egypt's quarrel with the British is settled. What he had in mind would involve the defense of the Arab States and the establishment of land communication between Egypt and the Arab States.

The Prime Minister said that "bad consequences" were certain to follow a failure to agree with the UK. This would adversely affect his government and perhaps another revolution would take place with incalculable results. His regime had attacked the evils of bribery and corruption and the people, particularly in the country, are happy. They now have great expectations of his government but unless "the source of all our ills" is removed (i.e., British forces) he would not hide from the Secretary the fact that January 26 might be repeated. If it were repeated there would be chaos and it would be the kind of chaos which "the British, the Communists, and others, who have an interest in chaos, could exploit".

The Prime Minister

The Prime Minister said he understood the US looks favorably upon the RCC. Already however the Communists are now saying that the RCC is selling out Egypt to the UK at US behest. The Prime Minister said that he welcomed aid and money from the US but in connection with the latter the Egyptians remember and fear a repetition of 1886 when the British came in to collect the debts of Khedive Ismail. He implied that Egypt could not expose itself to the same danger vis-a-vis the US. The Prime Minister said that if the RCC were to fall, bitterness would increase in all the capitals of the Arab States where they are waiting to see what will happen in Egypt. He wished to repeat again that the essence of any future agreement is confidence.

The Prime Minister said that he could not imagine why the British "want to retain a finger here". Perhaps the reason is explained by the story of "Goha's Nail". This was an old Egyptian story.

> Goha sold his house to a friend, stipulating however that one nail on an interior wall of the house remained his property. No sooner had the new owner moved in than Goha showed up to make certain that his nail was safe. He paid repeated visits at all hours of the day and night to examine his property. The result was that a) the new owner went crazy because of these visits; b) Goha married his wife and c) got back the house he had sold.

The Prime Minister said rather than have a case of Goha's Nail, he would prefer that the British "take all their equipment and go". The Prime Minister said he had nothing more to say.

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The Secretary said that he was very grateful for the Prime Minister's remarks which were just the kind of plain talk that he and Mr. Stassen had come to hear. It was always important to know how other people feel.

The Secretary said that the new administration is now in the process of making up its mind what its new foreign policy should be. When it took over it was faced by existing foreign policies - some good, some less good. All US foreign policies are being reviewed and this process may take another three months to complete. The President had asked the Secretary and Mr. Stassen to make this trip. The President was sending his brother (whom the Secretary himself might join later) to study the situation in Latin America. It is an important fact that foreign policies cannot be made in Washington without a knowledge of what is in the minds of other people.

The Secretary

The Secretary could say now, however, that the new Administration's policies will be based on the Communist threat. The Communists already rule one-third of the world. He referred to Communist activity in Indo-China as evidence that Communists seek further expansion. He wanted the Prime Minister to know the US view that nothing has happened to change the philosophy of the Communists. The death of Stalin did not change Communist philosophy which, like a religious creed, keeps on and on. Faced with the Communist threat, the US naturally seeks the help of others. The US considers the Middle East to be a danger area which heretofore has been somewhat neglected by the US. It is the area from which great religions and much culture have sprung. [In the past the US has perhaps centered too much of its interest on Israel as a result of pressure groups in the US.] The new Administration is seeking a balanced view of the Middle East directed against neither the Arabs nor the Jews.

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Evidence of the new Administration's concern with the problems of the Middle East is the presence in Cairo, at the President's direction, of the Secretary and Mr. Stassen.

The Secretary wished to make clear that what happens in Egypt is up to the Egyptians. The US cannot dictate to Egypt. Power must come from the people themselves. Nevertheless he would like the Prime Minister to know when the new Administration had studied world strategy in the Department of State and in the National Security Council they had concluded that Egypt is the country in the Middle East which, under the leadership and guidance of the Prime Minister, contains the promise of a great future. President Eisenhower himself has high regard for the Prime Minister and what he is doing. The President believes that the Prime Minister is giving exactly the kind of leadership which has been lacking in the Arab world for so long. The leadership of the Prime Minister gives an opportunity to effect in Egypt economic improvements - in agriculture, in industry, in irrigation, etc. It also contains the potential for the possible strengthening of the armed forces of Egypt.

So far as arms are concerned there is a desperate need for American arms in Laos and other places in the Far East as well as in Europe. It will not be easy for the US to assist Egypt with arms. However, if arms, and economic help are justified in the case of Egypt, and if Egypt itself desires these things from the US, the US would be prepared to consider making the Egyptian Army a real force in the world.

The Secretary

The Secretary said it was not possible for the US to help everybody. Consequently the US must follow a selective policy. As the US sees the situation, Egypt has great possibilities for the future not only for itself but as an example for others to follow.

The Secretary said that he was sure that the US vision of the new and greater Egypt was only a pale replica of the Prime Minister's vision. However, he would like the Prime Minister to know that the imagination of the American people had been caught by what the Prime Minister is trying to do. President Eisenhower would like closer ties with Egypt in the military and economic spheres and had asked the Secretary to ascertain from the Prime Minister his ideas in this regard.

Anglo-Egyptian differences represented a real problem for the US.

The US is not ashamed of its close ties of alliance with the UK and makes no effort to disguise these ties. The Secretary said that sometimes the US has its differences with the UK but these it tries to solve quietly. The US does not automatically accept British policy. One hundred and sixty years ago the US started on the road of independent policies and this would continue. However, the US and UK do agree on general broad principles. "We share with the UK cultural and religious traditions and these give us a similar point of view on most problems while maintaining the right to exercise in all instances entirely independent judgment. It was wrong for people to say that the UK led the US by the nose."

(The Prime Minister said that he did not think that the UK led the US by the nose.)

The Secretary continued:

The US does not believe in colonialism. The US freed the Philippines and gave up special rights that it had one time possessed in Cuba. The US does not believe that certain peoples and races have the right to determine the fate of other peoples.

So far as the Suez Base is concerned the Secretary had discussed this in Washington with Mr. Eden in March. The previous Administration had done the same thing. In Washington the US agreed with the UK that there must be a prompt change in the situation which would recognize the sovereignty of Egypt over the Suez Base in theory as well as in fact.

One consideration

One consideration seemed very important to the US: The change in the status of the base should not affect its usability in war on short notice. No one could afford to have a power vacuum in the base. The Secretary hoped that Egypt would feel, as the US feels, that the technical maintenance must be at a high level of efficiency. The Base contains vast quantities of stores and "unless we are careful in the way we make the change, the value of the base might be destroyed at a very critical moment".

The foreign policy of the new Administration (now in the process of formulation) tries to think ahead for five or ten years. The US believes that the danger in this part of the world is real and present. The Communists do not change their purpose very easily. The Prime Minister would recall that in the Stalin-Hitler conversations of 1940 the USSR claimed as the center of Soviet aspirations the "general area of the Persian Gulf". The Germans objected to this Soviet claim and thus the USSR risked a terrible war for this objective. This happened once; the US believes that it could happen again and that the Middle East might be the next area of danger.

As General to General, President Eisenhower sent the Prime Minister word that he thought the greatest care should be taken not to destroy the utility of the Suez Base which is such a major deterrent to aggression against the Middle East. The President felt that impetuousness must not be allowed to interfere with the operation of the Base.

The Secretary talked with the President several times about this problem - most recently last Friday (May 8). On this occasion the President had told him that "We all agree that the British troops must be evacuated and Egyptian sovereignty be restored but base is great deterrent to aggression. The Base could be the place from which to strike back. Consequently the base must be preserved without any period of vacuum". Thus, continued the Secretary, the President's message to you is, "Don't create a moment of danger".

The US believes in a phased withdrawal of British troops but at the same time in a base in instant readiness. Readiness in three months or six months might be too late in modern war.

The Secretary said that danger to the Middle East is "more yours than ours". Some people believe that the US has an inescapable interest in the Middle East because of oil. The truth is that the US has surplus

oil

oil from Venezuela and can do without Middle Eastern oil. This does not affect, however, the temptation which the great Middle Eastern oil reserves are to the Soviet Union.

The US believes that in the present situation there must be a gradual transition. It is highly important that orders for the handling and management of British equipment in the base be quickly and efficiently executed since this base system is the only effective deterrent in the area today.

The President hopes that the Prime Minister will work to preserve this deterrent.

The Prime Minister said he did not see how a vacuum could take place because Egyptians would take the place of British troops.

The Secretary replied that the US believed that Egyptian troops would protect the Base. The important thing is "the instant availability of the stores and equipment in the base". The management of British stores and equipment by British technicians represents a system which we "do not want to see broken up without adequate replacement". The Secretary hoped that Egypt would move very cautiously in regard to British technicians.

The Prime Minister said that already the Egyptian Air Force has its own technicians to manage its stores. He thought Egyptians could, in time, learn to do the job.

The Secretary replied that he was not in a position to judge the capacity of Egyptians to learn to handle, service, and repair alien material but he would like to know whether the Prime Minister agreed with him regarding instant availability.

The Prime Minister replied that he did agree to instant availability and that Egypt had agreed to be "entrusted" with British stores. Foreign Minister Fawzi intervened to say that Egypt has accepted (a) some British technicians whenever Egyptians not qualified and (b) the principle of efficiency in the base.

The Secretary said he wished to stress the importance the US attaches to the efficiency of the base. Detailed knowledge is very important to the proper handling of the stores. He urged that nothing should be done precipitately.

The Foreign Minister

The Foreign Minister said that the British refused to contemplate their stores ever being cared for and managed by Egyptians.

The Secretary replied that the British might have too low an idea of Egyptian capabilities in this regard.

The Prime Minister said that he did not agree with the UK that a vacuum would follow transfer. Egypt wanted to keep the base in the best possible way. The best deterrent to the USSR would be the spectacle of Egypt working loyally with the UK. If this happened the USSR would never dare attack. He agreed that an efficient base is intrinsic to the defense of Egypt. Nevertheless the British insist that as long as British property is in Egypt it must be handled by British technicians under British control. Why this desire to control? Egypt wanted nothing which "infringes our sovereignty". Egypt would gradually take over the control of the base and would certainly not abuse it. However, if control rested in London "how can I be sure the British will not increase the number of their technicians?"

Mr. Byroade said that he had a question to ask. What was the Egyptian attitude towards exports from the base? He understood that some of the supplies and equipment were processed and exported to Libya, Cyprus, the Arab Legion, etc. How did Egypt feel about this export business?

The Prime Minister said that the contents of the base are British property and that the British can "remove anything anywhere they like".

At this point the Secretary interjected that "it seemed stupid that ways cannot be found to meet the views of both sides on the matter of technicians". Everyone is agreed regarding the withdrawal of British troops. The Ford dealer in Egypt has a lot of equipment, spare parts, etc. He makes repairs, replacements. It requires time for him to train people and yet the fact that he receives instructions from his home office in no way affects Egyptian sovereignty. The Secretary said that the Egyptian Government would have won its "great political victory" with withdrawal of British troops. Could it be that the great vision of a new Egypt could collapse over the problems of a few inventory-keepers?

The Foreign Minister said that a major question of principle "jumps out when we talk of control". The number of British technicians and the number of Egyptians is a matter for the committees to study; it is a matter for fact finding.

The Secretary

The Secretary said that "efficiency" is the key word in thinking of the base.

The Foreign Minister reiterated that he felt the best manner to set up control would be to have this made the subject of study by the Base Committee. He agreed that it was ridiculous that negotiations should break down over inventory-keepers. He failed to see why the British should be so insistent on this point.

The Secretary said it would be a crime against humanity if the two parties could not solve the "last remnant of the problem".

The Egyptian Ambassador to Washington intervened at this point. He said that while he was Secretary for Social Affairs 46,000 Egyptians had left the base. During the war thousands of technicians were employed by the UK and the US. He was thus certain that Egypt can find the technicians. (Note: This statement by the Egyptian Ambassador may be a clue to a genuine misunderstanding. To him technicians meant machinists, mechanics, and other skilled trades. The UK, which employed up to 80,000 Egyptians in the Base previously, expects to use Egyptians for skilled trades - the more the better. The British point turns upon "technical management" at a high level.)

The Secretary said that he had not come to Egypt to involve himself in the negotiations. He was primarily interested in the potential role of Egypt in the future. He looked forward to talking with the Prime Minister again about the "big picture". He was sure that the Prime Minister fully appreciated that the US cannot equip Egyptians to fight the British. It was thus important to get the Anglo-Egyptian dispute out of the way so that the US could discuss with Egypt economic aid and such other important matters as peace with Israel and collective security. On the latter point he was coming more and more to feel that the original MEDO proposal no longer meets the situation and is outdated. He thought that something else could be found.

The Prime Minister replied that everything depends on confidence. The Jews have frequently ignored or broken UN Resolutions. Egypt is even now prepared to plan informally with the US. The Prime Minister said that "after the British get out I am sure that I can reach an agreement with Israel". The Secretary must always bear in mind his political difficulties. Already he is charged with throwing Egypt into the arms of the US.

As the meeting was about to break up an aide brought to the Prime Minister an early ticker account of Prime Minister Churchill's speech before the House of Commons the same day. This the Prime Minister read aloud but made no substantive comment upon it.